

**INDEPENDENT AUDITORS' REPORT ON
THE FINANCIAL STATEMENTS
OF
WEST CALCASIEU PARISH COMMUNITY CENTER AUTHORITY
JUNE 30, 2014**

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**WEST CALCASIEU PARISH
COMMUNITY CENTER AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2014**

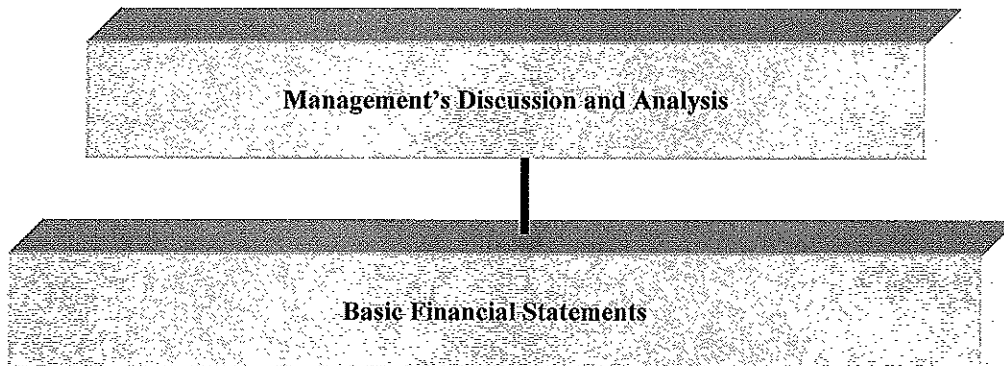
The Management's Discussion and Analysis of the West Calcasieu Parish Community Center Authority's financial performance presents a narrative overview and analysis of the Authority's financial activities for the year ended June 30, 2014. This document focuses on the current year's activities, resulting changes, and currently known facts in comparison with the prior year's information. Please read this document in conjunction with the additional information contained in the financial statements.

FINANCIAL HIGHLIGHTS

- The Authority's assets exceeded its liabilities at the close of the fiscal year 2014 by \$17,076,298; of this amount, \$7,544,735 (unrestricted net position) may be used to meet the Authority's ongoing obligations to its users.
- The changes in net position increased by \$2,008,457, mainly due to an increase of capital outlay grant funding of \$1,943,449.
- This year included facility revenues of \$152,765 and concession revenues of \$84,318, an increase of \$22,023 from prior year, with operating expenses increasing by \$119,674, including the depreciation decrease of \$6,146, and increases of \$26,226 in advertising and promotions and \$54,795 in payroll and related benefits.

OVERVIEW OF THE FINANCIAL STATEMENTS

The following graphic illustrates the minimum requirements for Special Purpose Governments Engaged in Business Type Activities established by Governmental Accounting Standards Board Statement 34, Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments.



These financial statements consist of two sections: Management's Discussion and Analysis (this section) and the basic financial statements (including the notes to the financial statements).

**WEST CALCASIEU PARISH
COMMUNITY CENTER AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2014**

Basic Financial Statements

The basic financial statements present information for the Authority as a whole, in a format designed to make the statements easier for the reader to understand. The statements in this section include the Statement of Net Position; the Statement of Revenues, Expenses, and Changes in Fund Net Position; and the Statement of Cash Flows.

The Statement of Net Position (page 8) presents the current and long-term portions of assets and liabilities separately. The difference between total assets and total liabilities is net assets and may provide a useful indicator of whether the financial position of the Authority is improving or deteriorating.

The Statement of Revenues, Expenses, and Changes in Fund Net Position (page 9) presents information showing how the Authority's assets changed as a result of current year operations. Regardless of when cash is affected, all changes in net assets are reported when the underlying transactions occur. As a result, there are transactions included that will not affect cash until future fiscal periods.

The Statement of Cash Flow (pages 10) presents information showing how the Authority's cash changed as a result of current year operations. The cash flow statement is prepared using the direct method and includes the reconciliation of operating income (loss) to net cash provided (used) by operating activities (indirect method) as required by GASB 34.

FINANCIAL ANALYSIS OF THE ENTITY

**Statement of Net Position
For the Year Ended**

	<u>06/14</u>	<u>06/13</u>
Current and other assets	\$ 7,668,875	\$ 4,327,482
Restricted Assets	881,066	5,836,926
Capital assets	17,359,007	10,846,707
Total Assets	<u>25,908,948</u>	<u>21,011,115</u>
Other Liabilities	1,527,650	124,648
Long-term debts outstanding	7,305,000	7,585,000
Total Liabilities	<u>8,832,650</u>	<u>7,709,648</u>
Net Position:		
Net Investment in Capital Assets	9,531,563	9,098,633
Unrestricted	7,544,735	4,202,834
Total Net Position	<u>\$ 17,076,298</u>	<u>\$ 13,301,467</u>

**Statement of Revenues
For the Year Ended**

	<u>06/14</u>	<u>06/13</u>
Hotel/Motel Tax Revenue	\$ 969,758	\$ 943,656
Parish Revenue	225,000	100,000
Capital Outlay Grant Revenue	3,223,460	1,280,011
Interest Income	1,412	961
Facility Revenue	152,765	137,177
Concession Revenues	84,318	77,883
Other Income	10,894	50
Total Revenue	<u>\$ 4,667,607</u>	<u>\$ 2,539,738</u>

**WEST CALCASIEU PARISH
COMMUNITY CENTER AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2014**

**Statement of Revenues, Expenses, and Changes in Fund Net Position
For the Year Ended**

	06/14	06/13
Operating Revenues	\$ 237,083	\$ 215,060
Operating (Expenses)	(884,365)	(764,691)
Net Operating (Income)/Loss	(647,282)	(549,631)
Non-operating Revenues	1,207,064	1,044,667
Non-operating (Expenses)	(8,411)	(8,673)
Net Non-operating (Income)/Loss	1,198,653	1,035,994
Net (Increase)/Decrease In Net Position	\$ 551,371	\$ 486,363

The overall financial position of the Authority increased in the year, primarily due to the increase in capital outlay grant revenue.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2014 the Authority had \$17,359,007 in capital assets, net of accumulated depreciation. (See table below). This amount represents a net increase (including additions and deductions) of \$6,512,300 over last year.

Capital Assets at Year End

	06/14	06/13
Construction in Progress	\$ 11,401,433	\$ 4,665,533
Land	1,332,915	1,332,915
Buildings	5,469,982	5,469,982
Land Improvements	1,175,356	1,175,356
Furniture and Equipment	609,370	548,311
Vehicle	44,297	44,297
Less Accumulated Depreciation	(2,674,346)	(2,389,687)
Totals	\$ 17,359,007	\$ 10,846,707

**WEST CALCASIEU PARISH
COMMUNITY CENTER AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2014**

This year's major capital additions included above were:

Various equipment	\$ 17,883
Arena equipment	\$ 58,100

The construction in progress balance was \$11,401,433 as of June 30, 2014, which consists of the actual construction costs and capitalized bond interest incurred to date on phase II, the conference center project. As of June 30, 2014, the construction project was 98.34% complete. The total estimated cost of the project is expected to be \$12,093,558. The project is financed by a bond issue of \$7,855,000.

Debt Administration

The long-term debt balance decreased \$280,000 as principal was paid on the excess revenue bonds, decreasing the balance from \$7,585,000 to \$7,305,000 in the current year.

CONTACTING THE DISTRICT'S MANAGEMENT

This financial report is designed to provide our citizens, customers, and creditors with a general overview of the Authority's finances and to show the Authority's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Adrian Moreno, West Calcasieu Parish Community Center Authority.

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INDEPENDENT AUDITORS' REPORT

Board of Directors
West Calcasieu Parish Community Center Authority
Sulphur, Louisiana

We have audited the accompanying financial statements of the business-type activities of the West Calcasieu Parish Community Center Authority, a component unit of the State of Louisiana, as of and for the years ended June 30, 2014 and 2013, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the respective financial position of the business-type activities of the West Calcasieu Parish Community Center Authority as of and for the year ended June 30, 2014, and the respective changes in financial position, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 2 through 5 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or

historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 17, 2014, on our consideration of the West Calcasieu Parish Community Center Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the West Calcasieu Parish Community Center Authority's internal control over financial reporting and compliance.

McMullen and Mancuso, CPAs, LLC

McMullen and Mancuso CPAs

Sulphur, Louisiana
November 17, 2014

WEST CALCASIEU PARISH COMMUNITY CENTER AUTHORITY
CALCASIEU PARISH, LOUISIANA
STATEMENT OF NET POSITION
June 30, 2014
with Comparative Totals for June 30, 2013

ASSETS		
Current Assets:	2014	2013
Cash and Cash Equivalents	\$ 6,954,537	\$ 3,636,162
Taxes Receivable	286,260	347,530
Capital Outlay Grant Receivable	256,268	174,285
Prepaid Insurance	11,378	14,697
Miscellaneous Receivable	-	393
Other Deposits	13,365	-
Concession Inventory	5,007	3,944
Total Current Assets	7,526,815	4,177,011
Restricted Assets:		
Cash and Cash Equivalents	881,066	5,836,926
Property and Equipment:		
Building	5,469,982	5,469,982
Land Improvements	1,175,356	1,175,356
Furniture and Equipment	609,370	548,311
Vehicle	44,297	44,297
Less Accumulated Depreciation	(2,674,346)	(2,389,687)
Land	1,332,915	1,332,915
Construction in Progress	11,401,433	4,665,533
Net Property and Equipment	17,359,007	10,846,707
Other Assets:		
Other Bond Issue Costs - Phase II (net of \$13,817 amortization)	142,060	150,471
Total Assets	25,908,948	21,011,115
Deferred Outflows of Resources	-	-
LIABILITIES AND NET POSITION		
LIABILITIES		
Current Liabilities (Payable from Current Assets):		
Accounts Payable	10,238	11,156
Payroll Taxes Payable	6,637	5,060
Sales Tax Payable	1,523	1,763
Accrued Leave	13,455	10,845
Total Current Liabilities Payable from Current Assets	31,853	28,824
Current Liabilities (Payable from Restricted Assets):		
Accounts Payable	1,403,510	-
Interest Payable - Bonds	92,287	95,824
Bonds Payable - Current	290,000	280,000
Total Current Liabilities Payable from Restricted Assets	1,785,797	375,824
Total Current Liabilities	1,817,650	404,648
Bonds Payable - Long-Term	7,015,000	7,305,000
Total Liabilities	8,832,650	7,709,648
Deferred Inflows of Resources	-	-
NET POSITION		
Net Investment in Capital Assets:	17,359,007	10,846,707
Less:		
Current Liability from Restricted Assets	(1,403,510)	-
Revenue Bonds Payable, Net	(7,305,000)	(7,585,000)
Amount of Debt Related to Unspent Proceeds	881,066	5,836,926
Total Net Investment in Capital Assets:	9,531,563	9,098,633
Unrestricted	7,544,735	4,202,834
Total Net Position	\$ 17,076,298	\$ 13,301,467

See Accompanying Notes to Financial Statements

WEST CALCASIEU PARISH COMMUNITY CENTER AUTHORITY
CALCASIEU PARISH, LOUISIANA
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET POSITION
For the Fiscal Year Ended June 30, 2014
with Comparative Totals for June 30, 2013

Operating Revenues:	2014	2013
Facility Revenues	152,765	137,177
Concession Revenues	84,318	77,883
Total Operating Revenues	237,083	215,060
Operating Expenses:		
Advertising and Promotions	33,021	6,795
Communications	7,018	6,808
Cost of Sales - Concessions	39,276	44,058
Cost of Sales - Shavings	13,391	9,020
Depreciation	299,583	305,729
Dues and Subscriptions	2,489	1,211
Insurance	73,884	58,437
Maintenance of Property and Equipment	45,568	35,809
Other Expenses	2,695	701
Payroll and Related Benefits	257,190	202,395
Printing	5,648	-
Professional Fees	19,473	15,254
Rentals	3,628	4,429
Supplies	8,806	11,196
Training and Safety	2,449	2,662
Transportation, Lodging & Meals	22,393	21,149
Utilities	47,853	39,038
Total Operating Expenses	884,365	764,691
Operating Income (Loss)	(647,282)	(549,631)
Nonoperating Revenues (Expenses):		
Taxes - Hotel/Motel	969,758	943,656
Intergovernmental - Parish Revenue	225,000	100,000
Amortization Expense	(8,411)	(8,280)
Interest Income	1,412	961
Other Income	10,894	50
Loss on Disposal of Fixed Assets	-	(393)
Total Nonoperating Revenues	1,198,653	1,035,994
Income before Contributions	551,371	486,363
Capital Contributions	3,223,460	1,280,011
Change in Net Position	3,774,831	1,766,374
Net Position at Beginning of Year	13,301,467	11,535,093
Net Position - End of Year	\$ 17,076,298	\$ 13,301,467

See Accompanying Notes to Financial Statements

WEST CALCASIEU PARISH COMMUNITY CENTER AUTHORITY
CALCASIEU PARISH, LOUISIANA
STATEMENT OF CASH FLOWS
For the Fiscal Year Ended June 30, 2014
with Comparative Totals for June 30, 2013

Cash Flows From Operating Activities:	2014	2013
Receipts from Customers	\$ 223,871	\$ 215,136
Payments for Goods and Services	(326,254)	(245,918)
Payments to Employees For Services	(253,003)	(202,643)
Net Cash (Used) By Operating Activities	(355,386)	(233,425)
Cash Flows From Capital And Related Financing Activities:		
Land Improvements	-	(2,084)
Purchase of Property And Equipment	(75,983)	(7,613)
Construction in Progress	(5,332,390)	(3,895,390)
Capital Outlay Grant	3,141,477	1,105,726
Debt Service on Bonds	(280,000)	(270,000)
Bond Interest	(3,537)	-
Decrease in Restricted Cash Accounts	4,955,859	1,928,876
Net Cash Provided (Used) By Capital And Related Financing Activities	2,405,426	(1,140,485)
Cash Flows From Non-Capital Financing Activities:		
Receipt of Hotel/Motel Taxes	1,031,028	943,613
Receipt of Intergovernmental-Parish	225,000	100,000
Net Cash Provided By Non-Capital Financing Activity	1,256,028	1,043,613
Cash Flows From Investing Activities:		
Other Income	10,895	50
Interest Income	1,412	961
Net Cash Provided By Investing Activities	12,307	1,011
 Net Increase (Decrease) In Cash And Cash Equivalents	 3,318,375	 (329,286)
Cash Equivalents At Beginning Of Year	3,636,162	3,965,448
Cash Equivalents At End Of Year	\$ 6,954,537	\$ 3,636,162
Reconciliation Of Operating Income (Loss)		
To Net Cash Provided (Used) By Operating Activities:		
Operating Income (Loss)	\$ (647,282)	\$ (549,631)
Adjustments To Reconcile Operating Income To Net Cash		
Provided (Used) By Operating Activities:		
Depreciation Expense	299,583	305,729
Loss on Disposal of Fixed Assets	-	393
Decrease (Increase) in Miscellaneous Receivable	393	76
Decrease (Increase) in Other Deposits	(13,365)	-
Decrease (Increase) in Prepaid Insurance	3,319	(1,964)
(Decrease) Increase in Sales Tax Payable	(240)	(302)
(Decrease) Increase in Accounts Payable	(918)	8,971
Decrease (Increase) in Inventory	(1,063)	3,551
(Decrease) Increase in Payroll Taxes Payable	1,577	(1,697)
(Decrease) Increase in Accrued Leave	2,610	1,449
Total Adjustments	291,896	316,206
Net Cash Provided (Used) By Operating Activities	\$ (355,386)	\$ (233,425)

See Accompanying Notes to Financial Statements

**WEST CALCASIEU PARISH COMMUNITY CENTER AUTHORITY
CALCASIEU PARISH, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
As of and for the year ended June 30, 2014**

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

On May 29, 1992, by legal authority R.S. 33:4576, the Louisiana Legislature created the West Calcasieu Parish Community Center Authority. The Authority is charged with building, maintaining and operating a rodeo arena, sports complex, or community center within Calcasieu Parish.

The managing board of the West Calcasieu Parish Community Center Authority consists of five members, all serving without compensation. One member shall be appointed by the governing authority of each of the following municipalities: City of Sulphur, City of Westlake, City of DeQuincy, the Town of Vinton and one member shall be appointed by the governing authority of Calcasieu Parish who shall be a resident of Ward 4, 5, 6, or 7 of Calcasieu Parish.

The accounting policies of the West Calcasieu Parish Community Center Authority conform to accounting principles generally accepted in the United States of America as applicable to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting practices. The following is a summary of the more significant policies:

A. Financial Reporting Entity

The Authority is a component unit of the State of Louisiana. This report includes all funds that are controlled by or dependent on the Authority. Control by or dependence on the Authority was determined on the basis of budget adoption, taxing authority, authority to issue debt, election or appointment of governing body and other general oversight responsibility.

B. Fund Accounting

The accounts of the Authority are organized on the basis of a proprietary fund which is considered a separate accounting entity or enterprise fund. Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the cost (expenses, including depreciation) of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses, incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

C. Basis of Accounting

The Authority's statements of net position and revenues, expenses, and changes in fund net position are presented using the economic resources measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Net Fund Position present increases (revenues) and decreases (expenses) in total net positions. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

**WEST CALCASIEU PARISH COMMUNITY CENTER AUTHORITY
CALCASIEU PARISH, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
As of and for the year ended June 30, 2014**

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

C. Basis of Accounting(continued)

Operating revenues in the proprietary funds are those revenues that are generated from the primary operation of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

GASB No. 20 requires that governments' proprietary activities apply all applicable GASB pronouncements as well as the following pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements: Financial Accounting Standards Board ("FASB") Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins. Governments are given the option whether or not to apply all FASB Statements and Interpretations issued after November 30, 1989, except for those that conflict with or contradict GASB pronouncements. The District has elected not to implement FASB Statements and Interpretations issued after November 30, 1989.

D. Cash and Cash Equivalents

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the Authority may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

E. Investments

Investments are limited by Louisiana Revised Statute (R.S.) 33:2955 and the Authority's investment policy. If the original maturities of the investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

F. Capital Assets

All capital assets are recorded at cost and updated for additions and retirements during the year. Depreciation of all exhaustible fixed assets is charged as an expense against operations. Land and construction in progress are not depreciated. The Authority maintains a capitalization threshold of \$1,000. The Authority does not possess any infrastructure. Interest costs incurred during construction are not capitalized. Improvements are capitalized; the cost of normal maintenance and repairs that do not add value to the asset or materially extend the assets life are recorded as expenses. Donated assets are recorded at their estimated fair market value at the time of contribution. Depreciation is computed using the straight-line method over the estimated useful lives of the assets of five to forty years.

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**WEST CALCASIEU PARISH COMMUNITY CENTER AUTHORITY
CALCASIEU PARISH, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
As of and for the year ended June 30, 2014**

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

F. Capital Assets (Continued)

The following is a schedule of changes in fixed assets for the year ended June 30, 2014:

	Beginning of Year	Additions	Deletions	End of Year
Building	\$ 5,469,982	\$ -	\$ -	\$ 5,469,982
Land	1,332,915	-	-	1,332,915
Land Improvements	1,175,356	-	-	1,175,356
Vehicles	44,297	-	-	44,297
Furniture and Equipment	548,311	17,883	14,924	551,270
Furniture and Equipment-Event Center	-	58,100	-	58,100
Construction in Progress	4,665,533	6,735,900	-	11,401,433
Total	13,236,394	6,811,883	14,924	20,033,353
Accumulated Depreciation	(2,389,687)	(299,583)	14,924	(2,674,346)
Net	\$10,846,707	\$6,512,300	\$ -	\$17,359,007

G. Compensated Absences

The Authority has the following policy relating to vacation and sick leave:

Vacation

Each full-time employee shall be entitled to take vacation with pay in the following manner:

An employee of the Authority will earn one week's vacation after six (6) months from his/her hire date and it can be taken at the end of that period. After twelve (12) months service, he/she is eligible for an additional week of vacation.

One year.....	2 weeks
More than three years.....	3 weeks
More than ten years.....	4 weeks
More than fifteen years.....	5 weeks
More than twenty years.....	6 weeks

Employees may carry forward a maximum of eighty (80) hours of vacation past December 31 of each year. Those hours in excess of eighty (80) hours will be converted to sick leave.

Sick Leave

Sick leave shall be credited to regular employees at the rate of .0462 hours for each hour of work. Hours of work shall be defined as regular hours worked, holidays, and vacation time. (This is equivalent to eight (8) hours of sick leave per month.) This shall be granted to employees during the

**WEST CALCASIEU PARISH COMMUNITY CENTER AUTHORITY
CALCASIEU PARISH, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
As of and for the year ended June 30, 2014**

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

G. Compensated Absences (Continued)

first year of continuous employment. After one year of continuous employment, the employee shall accumulate sick leave at the rate of .0692 hours for each hour of work. (This is equivalent to twelve (12) hours of sick leave per month.) After reaching a 600-hour plateau of accumulated sick leave, an employee will accumulate sick leave at a rate of .1154 hours for each hour of sick leave and other miscellaneous paid leave. (This is equivalent to twenty (20) hours of sick leave per month.) If an employee shall fall below the 600-hour plateau due to extended illness, employees shall still retain the benefit of accumulating sick leave at a rate of .1154 hours for each hour worked plus sick leave and other miscellaneous paid leave. No employee shall be paid for unused sick leave.

The Authority's recognition and measurement criteria for compensated absences is as follows:

GASB Statement No. 16 provides that vacation leave and other compensated absences with similar characteristics should be accrued as a liability as the employees earn the benefits if both of the following conditions are met:

- a. The employees' rights to receive compensation are attributable to services already rendered.
- b. It is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

H. Encumbrances

Encumbrances represent commitments related to unperformed contracts for goods and services. The commitments (purchase orders, contracts, and other commitments for the expenditures of funds) are not treated as expenditures until a liability for payment is incurred but are merely used to facilitate effective budget control and cash planning and management

I. Restricted Net Position

In the statement of net position, equity is classified as net position and displayed in three components:

1. Investment in capital assets, net of related debt – consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributed to the acquisition, construction, or improvements of those assets.
2. Restricted net position – net position with constraints placed on the use either by a) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or b) law through constitutional provisions or enabling legislation.
3. Unrestricted – all other net position is reported in this category.

The Authority typically uses restricted funds first, followed by any unassigned funds when expenditure

WEST CALCASIEU PARISH COMMUNITY CENTER AUTHORITY
CALCASIEU PARISH, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS
As of and for the year ended June 30, 2014

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

I. Restricted Net Position (continued)

is incurred for purposes for which amounts in either of these classifications could be used.

J. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

K. Inventory

Inventory is valued at the lower of cost (first-in, first-out) or market.

L. Interest Capitalization

Interest costs are capitalized as part of the historical cost of acquiring certain assets. To qualify for interest capitalization, assets must require a period of time before they are ready for their intended purpose. Interest earned on the bond proceeds restricted to the construction of the conference center is offset against interest costs in determining the amount to be capitalized. Interest revenue used to offset interest cost was \$3,604 for the year ended June 30, 2014 and \$9,131 for the year ended June 30, 2013. Total interest cost incurred for the year ended June 30, 2014 was \$278,669 and \$513,195 for the year ended June 30, 2013. Interest capitalized was \$768,100 for the year ended June 30, 2014 and \$493,036 for the year ended June 30, 2013, and is included in construction in progress.

NOTE 2 – CASH AND CASH EQUIVALENTS

At June 30, 2014 the Authority had cash and cash equivalents (book balances) totaling \$7,835,603 as follows:

Non interest-bearing demand deposits-current	\$ 2,000
Interest-bearing demand deposits - current	6,952,537
Interest-bearing demand deposits - restricted	<u>881,066</u>
Total	<u>\$ 7,835,603</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on the with the fiscal agent.

These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At June 30, 2014 the Authority had \$7,848,804 in deposits (collected bank balances). These deposits are secured from risk by \$500,000 of federal deposit insurance and \$7,348,804 of

WEST CALCASIEU PARISH COMMUNITY CENTER AUTHORITY
CALCASIEU PARISH, LOUISIANA

NOTES TO THE FINANCIAL STATEMENTS
As of and for the year ended June 30, 2014

NOTE 2 – CASH AND CASH EQUIVALENTS (Continued)

pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement No. 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Authority that the fiscal agent has failed to pay deposited funds on demand.

Under state law, the Authority may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

NOTE 3 - RESTRICTED CASH

Proceeds of the Series 2011 Revenue Bonds are classified as a restricted asset on the statement of net position because use is limited to construction in progress and is maintained in separate bank account. The balance of the account at June 30, 2014 was \$880,718. In addition, the restricted account balance of the bond sinking fund was \$25 at June 30, 2014.

NOTE 4 – COMPENSATED ABSENCES

At June 30, 2014, the employees of the Authority have accumulated and vested \$13,455 of employee leave benefits, which was computed in accordance with GASB Codification Section C60.

NOTE 5 - RISK MANAGEMENT

The Authority is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; injuries to employees, and natural disasters. The Authority has purchased commercial insurance to cover or reduce the risk of loss that might arise should one of these incidents occur.

NOTE 6 – BONDS PAYABLE

The Authority issued \$7,855,000 in excess revenue bonds with the 2011 bond series, dated September 1, 2011, due in annual installments of \$270,000 - \$545,000 through September 1, 2031, plus interest at 3.79%. These certificates were issued for the purpose of providing a portion of the funds necessary to construct the Events and Community Center with all necessary equipment and furnishings. The Authority pledges income derived from the collection of tax revenues to pay debt service.

The following is a summary of changes in this long-term debt for the year ended June 30, 2014:

Description	Amount of		Interest Rates	Balance		Retired 6/30/2014	Balance	
	Original Issue	Maturity		6/30/2013			6/30/2014	
2011	\$ 7,855,000	2031	3.79%	\$ 7,585,000	\$	(280,000)	\$	7,305,000

**WEST CALCASIEU PARISH COMMUNITY CENTER AUTHORITY
CALCASIEU PARISH, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
As of and for the year ended June 30, 2014**

NOTE 6 – BONDS PAYABLE (Continued)

The annual debt service requirements to maturity for the 2011 bond series as of June 30, 2014 are as follows:

Year Ending June 30,	Revenue Bonds Principal	Bonds Interest
2015	290,000	271,364
2016	300,000	260,184
2017	315,000	248,529
2018	325,000	236,401
2019	335,000	223,894
Thereafter	5,740,000	1,526,802
	<u>\$7,305,000</u>	<u>\$2,767,174</u>

NOTE 7 – DEFERRED COMPENSATION PLAN

During this fiscal year, the Authority implemented a deferred compensation plan created in accordance with Internal Revenue Code Section 457(b) for its employees. The plan is administered by Great West Financial and permits the employees to defer a portion of their current salary until future years. The Authority's contribution for each employee is a match of 2:1, not to exceed 10% of each eligible employee's annual earnings. During the year ended June 30, 2014, the Authority contributed \$7,640, with the employees contributing \$3,820.

NOTE 8 – INTERGOVERNMENTAL REVENUE

On January 9, 2014, the Authority entered into a cooperative agreement with the Calcasieu Parish Police Jury to provide supplemental funding assistance to the Authority from the proceeds of an ad valorem tax known as the Burton Coliseum and Agricultural Services Tax. In the first year of the agreement, the appropriation to the Authority is \$225,000 from its tax. In subsequent years, the Police Jury shall annually appropriate 10% of estimated tax collections of the tax. The appropriation of funds from the tax to the Authority will not exceed 25% of the Authority's gross operating revenue, as determined by the Authority's previous fiscal year audit. Disbursement of funding will occur in February of each year. The agreement is effective for a period of 10 years.

NOTE 9 – CONSTRUCTION COMMITMENTS

Construction in progress consists of the costs incurred to date for the Phase II Conference Center and was \$11,401,433 at June 30, 2014. The total projected cost to complete construction is \$12,093,558. The project is funded with capital outlay funds through the State of Louisiana and the revenue bonds issued by the Authority.

NOTE 10 – ECONOMIC DEPENDENCY

The Authority relies on the appropriation from the State of Louisiana from the Hotel Occupancy Tax funds to provide for the payment of bond principal and interest. If the State does not continue to appropriate funds for the Authority, their ability to retire their debt would be significantly affected.

**WEST CALCASIEU PARISH COMMUNITY CENTER AUTHORITY
CALCASIEU PARISH, LOUISIANA**

**NOTES TO THE FINANCIAL STATEMENTS
As of and for the year ended June 30, 2014**

NOTE 11 – BOARD PER DIEM

The members of the governing board received no per diem for the year ended June 30, 2014.

NOTE 12 – SUBSEQUENT EVENT

Subsequent events were evaluated through November 17, 2014, which is the date the financial statements were available to be issued.

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**Independent Auditors' Report on Internal Control
Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial
Statements Performed In Accordance
With Governmental Auditing Standards**

To the Board of Directors
West Calcasieu Community Center Authority
Sulphur, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of West Calcasieu Community Center Authority, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise West Calcasieu Community Center Authority's basic financial statements, and have issued our report thereon dated November 17, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered West Calcasieu Community Center Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of West Calcasieu Community Center Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the West Calcasieu Community Center Authority's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether West Calcasieu Community Center Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any purpose.

McMullen and Mancuso, CPAs, LLC

McMullen and Mancuso CPAs

Sulphur, Louisiana

November 17, 2014

**WEST CALCASIEU PARISH COMMUNITY CENTER AUTHORITY
CALCASIEU PARISH, LOUISIANA**

SCHEDULE OF FINDINGS

For the Year Ended June 30, 2014

We have audited the financial statements of the West Calcasieu Parish Community Center Authority as of and for the year ended June 30, 2014, and have issued our report thereon dated November 17, 2014. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the financial statements as of June 30, 2014 resulted in an unmodified opinion.

Section I Summary of Auditor's Reports

a. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weaknesses ☐ Yes ☒ No Significant Deficiencies ☐ Yes ☒ No

Compliance

Compliance Material to Financial Statements ☐ Yes ☒ No

Section II Financial Statement Findings

There were no current year financial statement findings.

**WEST CALCASIEU PARISH COMMUNITY CENTER AUTHORITY
CALCASIEU PARISH, LOUISIANA**

SCHEDULE OF PRIOR YEAR FINDINGS

For the Year Ended June 30, 2014

Ref No.	Fiscal Year Finding Initially Occurred	Description of Finding	Corrective Action Taken
Section I - Internal Control and Compliance Material to the Financial Statements:			
2013-01	2013	The Authority was not in compliance with the revenue bond covenant requiring funding of the Debt Service Account.	Resolved

Section II - Management Letter:

There were no prior year management letter comments.

This schedule is prepared by management.